

International Trade Administration



- Statistical Infrastructure
- Broadening Trade

Enabling Legislation

The International Trade Administration's (ITA's) export promotion authority has six principal bases: "Organic" authority enacted in 1903, Reorganization Plan No. 3 of 1979, the Export Administration Amendments Act of 1985, the Omnibus Trade and Competitiveness Act of 1988, the Export Enhancement Act of 1992, and the Jobs Through Trade Expansion Act of 1994.

ITA's trade law enforcement authority has the following principal bases. The Anti-Dumping and Countervailing Duty (AD/CVD) program is authorized by the Tariff Act of 1930, as amended. The Foreign Trade Zones (FTZ) program is authorized by the Foreign Trade Zones Act of 1934. The Insular Watch Assembly program is authorized by P.L. 97-446, as amended. The Florence Agreement program is authorized by the Educational, Scientific, and Cultural Materials Importation Act.

Bureau Context

ITA's mission is to help U.S. companies sell products and services abroad in support of U.S. jobs at home.

During this decade, exports have accounted for almost one-third of real U.S. economic growth. They are expected to continue to grow faster than overall economic activity for the remainder of the decade. A prosperous economic future will be even more dependent on the ability of American firms to compete in world markets.

Exports support over 11 million U.S. jobs, including one in five manufacturing jobs, and have been responsible for nearly two million new jobs in the past four years alone. In recent years, export-related jobs have grown approximately six times faster than total employment, and are paying wages that are on average 15 percent higher than the average U.S. wage.

On a cautionary note, American's demand for imports is strong as U.S. firms globalize their production, and in addition, foreign producers find the U.S. market very attractive. Thus, progress in lowering the trade deficit will require an export growth rate above historical levels.

High-Impact Agency: In his August 7, 1998 memorandum, "Taking Stock of Progress Toward Year 2000 High-Impact Agency (HIA) Goals," Vice President Gore designated an ITA program unit, the U.S. and Foreign Commercial Service (US&FCS), a High Impact Agency. The priorities and initiatives and ITA's GPRA Annual Performance Plan goals are compatible with the HIA Goals assigned to US&FCS.

Priorities and Initiatives

Broadening Trade – Increase emphasis on key emerging markets in Africa and Latin America. Expand US&FCS in the Asia-Pacific Region, conduct a new commercial initiative in the Caspian Region, and enhance the USEAC Network. Implement aggressive trade compliance programs in Market Access and Compliance (MAC) and Import Administration (IA). Implement a Standards Attaches program.

Statistical Infrastructure - Together with Census, ITA will develop additional detailed trade data at the state and local level and for the Services sector.

Digital Department - Introduce an ITA-wide electronic commerce initiative. Establish an automated tariff quick-service program.

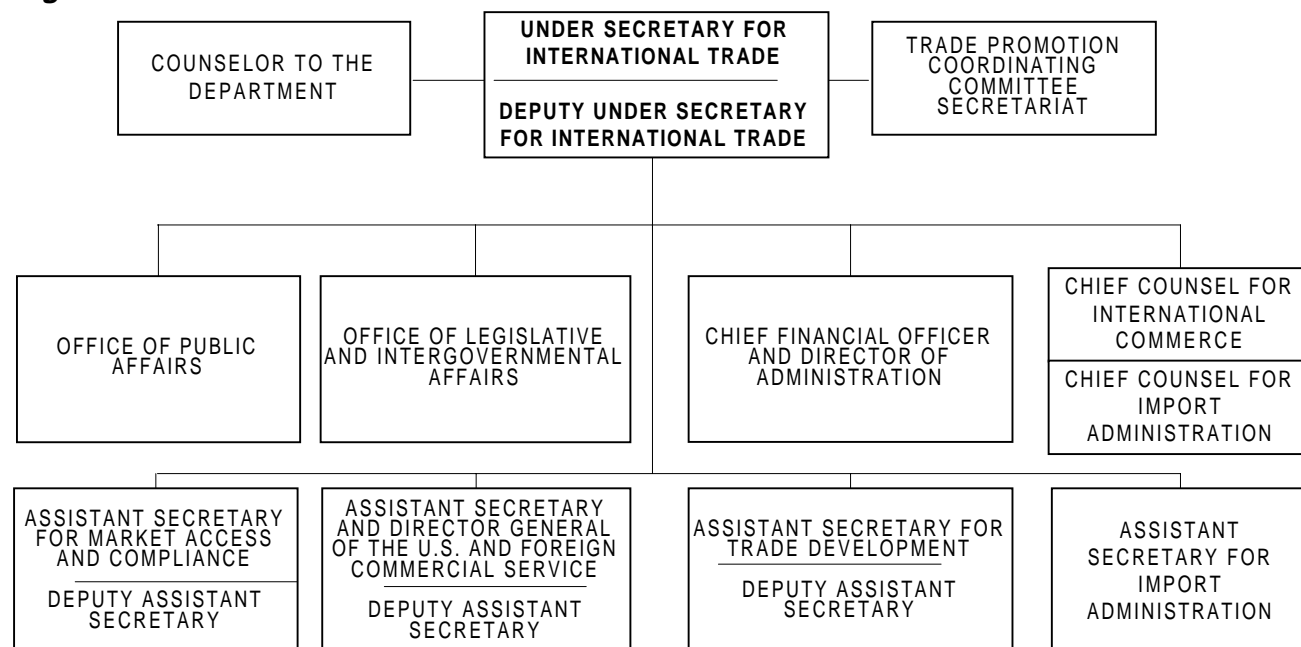
Clean Financial Audits - Develop personal property inventory and accountability systems.

International Trade Administration



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Organizational Structure



Measures and Targets Summary

Measure

Target

Goal: Enforce U.S. trade laws and agreements to promote free and fair trade

Dollar Value of Market Openings

38% increase over FY 1999

Goal: Increase the number of small business exporters

New-to-Export Firms

3% increase over FY 1999

Goal: Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (TPCC)

New-to-Market Firms

3% increase over FY 1999

Counseling Sessions

1% increase over FY 1999

Goal: Strengthen and institutionalize ITA's trade promotion and trade advocacy efforts

Dollar Value of Gross Exports Supported

5% increase over FY 1999

Resource Requirements Summary

2,383 FTEs

Skills: In-depth knowledge of international and domestic trade laws and regulations, in addition to country/industry-sector expertise; specialized knowledge of and experience in export marketing and promotion, foreign trade practices, and foreign government trade programs and policies.



\$305.4 Million



IT Requirements: \$19.1 Million for IT Infrastructure and related mission systems

International Trade Administration

Enforce U.S. trade laws and agreements to promote free and fair trade



- Statistical Infrastructure
- Broadening Trade

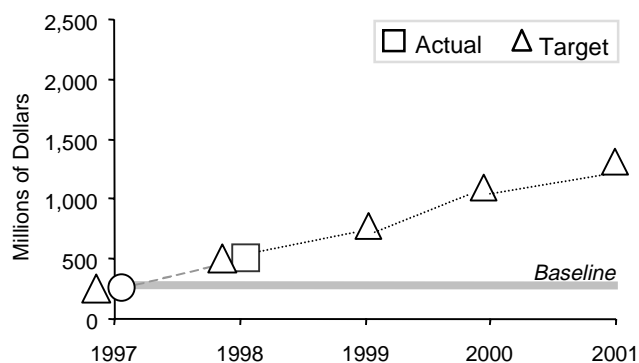
Rationale for/Comments on Performance

Goal:

This goal supports the *Broadening Trade* initiative as follows:

- ITA's Import Administration (IA) unit impartially enforces U.S. antidumping and countervailing duty (AD/CVD) laws to ensure that American businesses and workers face a level playing field in the domestic market versus foreign competitors.
- IA's Subsidy Enforcement Office coordinates the Administration's subsidies enforcement efforts to ensure that U.S. exporters are not harmed by subsidized foreign competition.
- ITA's Market Access and Compliance (MAC) unit identifies existing and potential market access problems. MAC also initiates U.S. government action to overcome market access obstacles within different countries and regions.
- A key element in these efforts is ITA's Trade Compliance Center (TCC), which monitors foreign compliance with over 250 trade agreements the U.S. has in force.

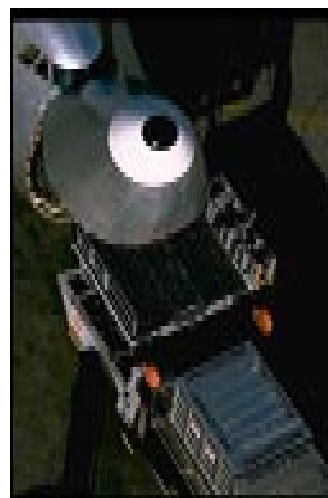
Measure: Value of market openings



This measure reflects the dollar value of opening world markets to U.S. exports by reducing and eliminating barriers to trade. Companies experiencing difficulty in accessing a foreign market engage MAC's help to gain entry. The Trade Compliance Center (TCC) works in conjunction with MAC's regional units in solving compliance problems.

Data Validation and Verification

Target:	\$1.1 Billion (FY 2000)
Source:	Companies benefiting from market access sessions
Frequency:	Annually, by fiscal year
Data storage:	TCC will store and publish data
Verification:	Market access officers working on each case provide information from the company on the nature of the access problem, estimated project value, status reports on the case and outcome. The data is then compiled and added to a MAC-wide compliance database maintained by the TCC. ITA plans to improve its data verification processes through the use of a private sector consultant.



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Means and Strategies

- MAC's region and country specialists aid companies in getting the fully benefit of agreements that other countries have signed with the United States. The Trade Compliance Center (TCC) works in conjunction with MAC's regional units, other parts of Commerce, and U.S. embassies overseas in solving compliance problems and actively searching for violations covered by international trade agreements that the U.S. has signed.

International Trade Administration

Enforce U.S. trade laws and agreements to promote free and fair trade (cont.)



- Statistical Infrastructure
- Broadening Trade

- IA improves American competitiveness through effective administrative of U.S. trade laws and agreements negotiated to address sector-specific trade distorting practices. IA's objective is to conduct antidumping and countervailing duty investigations, administrative reviews, and sunset reviews within statutory time limits; negotiate and administer suspension agreements; and manage and support the Foreign Trade Zones Program and certain other special import programs. In addition, IA is responsible for subsidies enforcement activities such as International Monetary Fund (IMF) criteria monitoring, World Trade Organization (WTO) cases, and monitoring foreign countries' subsidy activities.

toms' headquarters and port offices regarding the scope and potential evasion of AD/CVD orders, as well as other enforcement concerns.

- *Department of Treasury:* IA works closely with Treasury to monitor subsidy-related commitments contained in the IMF stabilization packages.
- *Department of State:* In AD/CVD proceedings, IA verifies information provided by foreign governments and companies in those countries. IA works closely with the Department of State to obtain country clearances, arrange meetings, and make necessary trip arrangements. In addition, IA works with State to obtain pertinent information on subsidy enforcement issues.
- *Department of Justice:* IA, in conjunction with the Office of the General Counsel, works with Justice's attorneys on pending AD/CVD litigation before the Court of International Trade and the Court of Appeals for the Federal Circuit.

Crosscutting Activities

- *U.S. Trade Representative (USTR):* ITA works with the USTR to develop strategies for solving market access disputes. IA works closely with U.S. industry to analyze potential subsidy practices that might violate the subsidies agreement of the Uruguay Round Agreement Act of 1994 (URAA) and cause harm to U.S. industry. Based upon this analysis, IA will prepare a recommendation that USTR take action before the World Trade Organization (WTO). IA and the USTR issue a joint annual report to Congress on both agencies' subsidies enforcement activities.
- *International Trade Commission:* In an antidumping (AD) or countervailing duty (CVD) case, IA conducts the investigation and ITC concurrently conducts the industry injury investigation. If both IA's and ITC's investigations result in affirmative determinations, then IA issues an AD/CVD order to the U.S. Customs Service which results in a tariff rate adjustment.
- *U.S. Customs Service:* Because the AD/CVD law requires collection of offsetting duties at the time merchandise enters the country, IA communicates regularly with Customs to ensure the prompt and accurate implementation of IA's decisions. Customs then collects cash deposits and final duty assessments. IA responds to inquiries from Customs'

External Factors

- Macroeconomic factors such as the Asian financial crisis influence yearly quantitative targets. ITA increases its trade promotion activities in an effort to counter the effects of global macroeconomic trends that may lower U.S. exports.

Resource Requirements



\$59.6 Million



567 FTEs

Skills: In-depth knowledge of international and domestic trade laws/regulations in addition to country/industry-sector expertise



IT Requirements: \$4.2 Million for IT infrastructure and related mission systems

International Trade Administration

Increase the number of Small Business Exporters



- Statistical Infrastructure
- Broadening Trade

Rationale for/Comments on Performance

Goal:

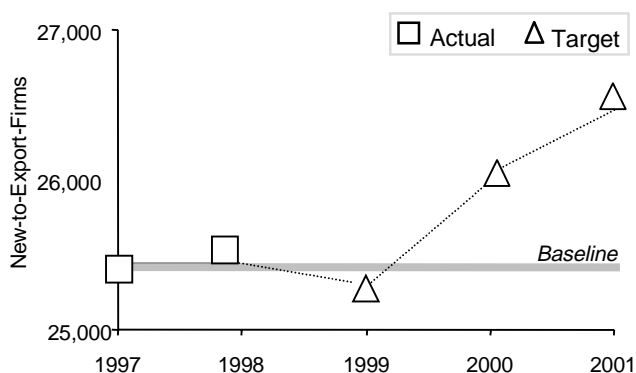
The U.S. and Foreign Commercial Service (US&FCS), which contributes to the achievement of this goal, has been designated a "High-Impact Agency" (HIA) by Vice President Gore. The HIA goals developed for US&FCS directly support this Annual Performance Plan (APP) goal.

This goal supports the *Broadening Trade* initiative as follows:

- During FY 1997, the Trade Information Center (TIC) handled nearly 241,000 inquiries, 90 percent of which were from Small and Medium Sized Enterprises (SMEs)
- ITA will implement the recommendations of its review of the U.S. Export Assistance Center Network, and develop a comprehensive strategy to increase counseling sessions and trade events

This goal also supports the *Digital Department* initiative through its efforts to expand access by small businesses to trade opportunities, via the Internet.

Measure: Number of New-to-Export Firms (NTEs)



US&FCS' collection of data to measure its programs is wholly dependent on a client's willingness to provide such information. Also, because actual exports occur subsequent to the delivery of US&FCS services (frequently 12 to 18 months later), it is usually impossible to report on export actions supported by US&FCS counseling services during the same period in which the services were delivered.

Additionally, it is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their business proprietary information to the federal government or to have their success stories published for competitors to read.

Data Validation and Verification

Target:	26,089 (FY 2000)
Source:	US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM)
Frequency:	Statistics harvested and reported quarterly and annually
Data storage:	US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS Office of Planning.
Verification:	Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports. ITA plans to improve its data verification processes through the use of a private sector consultant.



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Because of this difficulty in reliably measuring outcome performance, US&FCS instead tracks numbers of firms new to the export market as circumstantial evidence of overall export growth and export-fueled job creation. In FY 1998, NTEs comprised 17 percent of our clients, but less than five percent of our success stories/export actions.

International Trade Administration

Increase the number of Small Business Exporters (cont.)



- Statistical Infrastructure
- Broadening Trade

Means and Strategies

- ITA will seek to use the technology of electronic commerce to help small businesses use the Internet both to receive our services and to promote their own products abroad. We will also work in coordination with other TPCC agencies to define more efficient means of providing export assistance and financing to small businesses.

Crosscutting Activities

- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help Small Business Exporters (SBEs) export new technology; execute a cooperative agreement to provide Standards attaches.
- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and provide complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy* : DOE provides industry expertise for US&FCS trade events
- *Department of Defense/USAF*: The Air Force Provides industry expertise for US&FCS trade events involving aircraft sales (e.g., the Paris Air Show)
- *Department of Transportation*: DOT provides industry expertise for US&FCS trade events
- *Department of Education*: Education provides industry expertise for US&FCS trade events
- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)

External Factors

- ITA's success in achieving this goal is dependent upon domestic and international economic conditions. A weak domestic economy or a weak dollar abroad tends to make overseas markets more financially attractive to U.S. firms. Conversely, a strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. US&FCS trade specialists use their expertise to help SMEs develop trade strategies that take into account adverse economic conditions.
- Tracking numbers of new small business exporters is dependent on clients' provision of this information. Trade specialists communicate to their clients the relationship between US&FCS' ability to provide services to clients (especially business facilitation services with no charge) and US&FCS' ability to demonstrate measurable results. While trade specialists in the field urge firms to provide this data, there is no obligation on the part of the firm to do so.

Resource Requirements



\$133.2 Million



968 FTEs

Skills: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and policies



IT Requirements: \$8.0 Million for IT infrastructure and related mission systems

International Trade Administration

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee



- Statistical Infrastructure
- Broadening Trade

Rationale for/Comments on Performance

Goal:

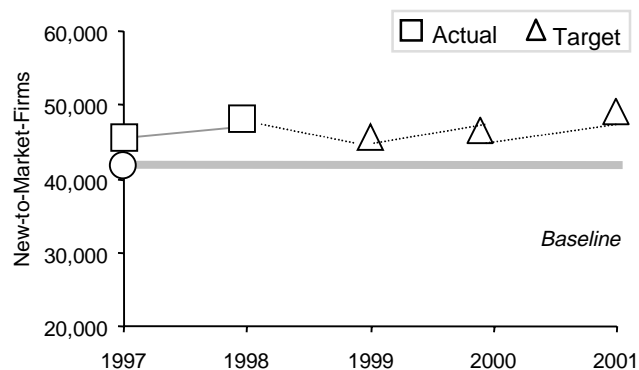
High-Impact Agency (HIA): The U.S. and Foreign Commercial Service (US&FCS), which contributes to the achievement of this goal, and has been designated a "High-Impact Agency" by Vice President Gore. The HIA goals developed for US&FCS directly support this APP goal.

This goal supports the *Broadening Trade* initiative by having ITA as the lead agency in the Trade Promotion Coordinating Committee (TPCC). The TPCC is comprised of 20 federal agencies, working together to implement the President's mandate to "Streamline, simplify, and better focus U.S. trade and export promotion programs."

delivered. Additionally, it is extremely difficult to track the actual dollar value of exports supported by US&FCS services because businesses are reluctant to reveal their proprietary information to the federal government as well as to have their success stories published for competitors to read.

Because of these difficulties in reliably measuring outcome performance, US&FCS instead tracks numbers of NTMs as circumstantial evidence of overall export growth and job creation. In FY 1998, although NTMs firms comprise only 40 percent of our U.S. clients, these firms account for approximately 50 percent of our subsequently reported success stories/export actions.

Measure: Number of New-to-Market Firms (NTMs)



US&FCS' collection of data to measure its programs is wholly dependent on a client's willingness to provide such information. Also, because actual exports occur subsequent to the delivery of US&FCS services (frequently 12 to 18 months later), it is usually impossible to report on export actions supported by US&FCS counseling services during the same period in which the services were

Data Validation and Verification

Target:	47,437 (FY 2000)
Source:	US&FCS' Client Management System (CMS) and the Office of Trade Event Management (OTEM)
Frequency:	Statistics harvested and reported quarterly and annually
Data storage:	US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning.
Verification:	Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out-of-office visits), and other activities. Each office manager reviews, verifies, and signs the reports.

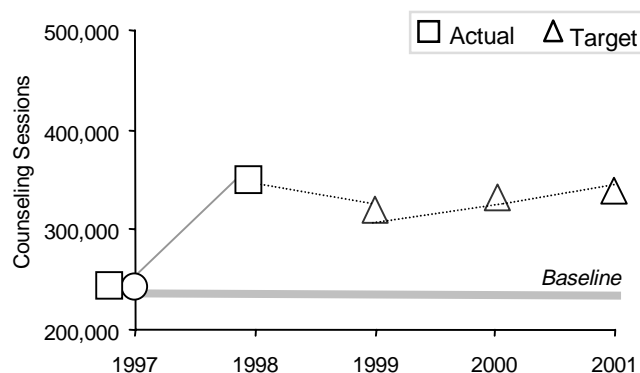
International Trade Administration

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (cont.)



- Statistical Infrastructure
- Broadening Trade

Measure: Number of counseling sessions



Of the five ITA performance measures in the FY 2000 Annual Performance Plan, four are outcome measures, and one is an output measure, i.e., “number of counseling sessions.” ITA selected this output measure because of the substantial number of staff years it devotes to this activity; specifically, in FY 1997, ITA conducted 295,164 counseling sessions.

Data Validation and Verification

Target: 309,922 (FY 2000)

Source: US&FCS' Client Management System (CMS)

Frequency: Statistics harvested and reported quarterly and annually

Data storage: US&FCS' custom-designed Client Management System software operating on a Lotus Notes platform and OTEM. Consolidated figures collected and stored by US&FCS' Office of Planning.

Verification: Client contacts and office activity are recorded and entered into CMS and OTEM upon occurrence. Each office compiles a quarterly Export Action Report, which details numbers of NTE and NTM export actions, client counseling sessions (both in-office visits and out of office visits), and other activities. Each office manager reviews, verifies, and signs the reports. ITA plans to improve its data verification processes through the use of a private-sector consultant.



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International Trade Administration

Implement the President's National Export Strategy in conjunction with the Trade Promotion Coordinating Committee (cont.)



- Statistical Infrastructure
- Broadening Trade

Means and Strategies

- ITA plans to strengthen the role of the Trade Promotion Coordinating Committee (TPCC). Our goal is to provide a "seamless web" of government services: from technical assistance, to advocacy, to trade finance, to help for small business. This web will support our exporters at every phase of the contract and transaction process. We will develop a government-wide commercial strategy to address the Asian financial crisis, and also launch, within the TPCC, a comprehensive promotional strategy for dealing with the growing trade deficit with China.

Crosscutting Activities

- *National Institute of Standards and Technology (NIST)*: Coordinate our efforts to help SMEs export new technology; execute a cooperative agreement to provide Standards attaches.
- *Small Business Administration (SBA)*: Share clients to provide complementary counseling services
- *Ex-Im Bank*: Share clients and provide complementary counseling services
- *State/Local Government Agencies*: Share clients and provide complementary counseling services
- *Local Chambers of Commerce*: Share clients and provide complementary counseling services
- *Department of Energy*: DOE provides industry expertise for US&FCS trade events
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- *Department of State*: State's Economic Officers assist with market research projects in countries where US&FCS does not maintain staff
- *Department of Agriculture (USDA)*: USDA provides grant assistance for US&FCS export counseling in rural areas
- *USAID*: Provides grant assistance for various overseas projects (e.g., American Business Centers in Russia)

External Factors

- Growth in the number of U.S. firms that export is closely tied to domestic and international economic conditions. A strong dollar or a weak overseas economy can cause export-ready firms to delay their exporting efforts. US&FCS trade specialists use their expertise to help firms develop trade strategies that take into account adverse economic conditions.

Resource Requirements



\$55.7 Million



419 FTEs

Skills: In-depth knowledge of export marketing and promotion, foreign trade practices, and foreign government trade programs and policies



IT Requirements: \$3.4 Million for IT infrastructure and related mission systems

International Trade Administration

Strengthen and institutionalize our trade promotion and advocacy efforts



- Statistical Infrastructure
- Broadening Trade

Rationale for/Comments on Performance

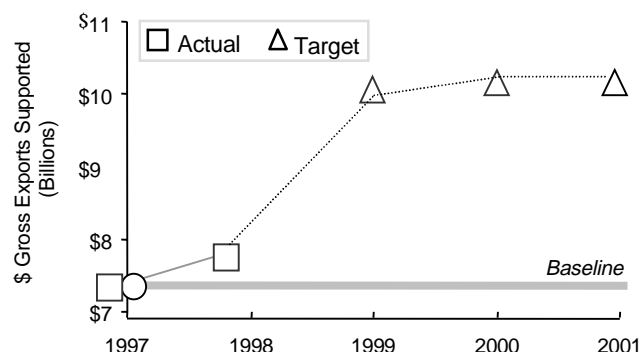
Goal:

High-Impact Agency (HIA): The U.S. and Foreign Commercial Service (US&FCS), which contributes to the achievement of this goal, has been designated a "High-Impact Agency" by Vice President Gore.

This goal supports the *Broadening Trade* initiative. In less than four years, ITA's Advocacy Center has helped over 2,000 U.S. companies win contracts worth potentially over \$50 billion in U.S. exports over the life of the contracts.

This goal also supports the *Digital Department* initiative through its efforts to use the technology of electronic commerce to help firms use the Internet both to receive ITA's services and to promote their own products abroad.

Measure: Dollar value of gross exports supported through advocacy efforts



In continuing efforts to improve the quality of the services provided by the Advocacy Center, Advocacy Center staff contacted 18 companies in late January 1998, with a request for feedback on claimed FY 97 successes in 23 separate competitions in which the USG provided advocacy. The Advocacy Center asked a series of questions regarding the current status of each project, material changes with respect to total project value, U.S. export content, and satisfaction with Advocacy Center or U.S.

Embassy/Consulate services. This annual process is labor intensive for the Advocacy Center. By comparison, the Trade and Development Agency (TDA) follows up on similar issues using outside contractors.

Data Validation and Verification

Target:	\$10.5 Billion (FY 2000)
Source:	Companies that benefited from USG advocacy
Frequency:	Annually (fiscal year)
Data storage:	Advocacy Center will store and publish data.
Verification:	Advocacy Center conducts yearly surveys of companies on claimed successes in separate competitions in which the USG provided advocacy. Questionnaire requests information on the current status of each project, material changes with respect to total project value, U.S. export content, and satisfaction with the Advocacy Center and/or U.S. Embassy/ Consulate services provided. ITA plans to improve its data verification processes through the use of a private-sector consultant.

Means and Strategies

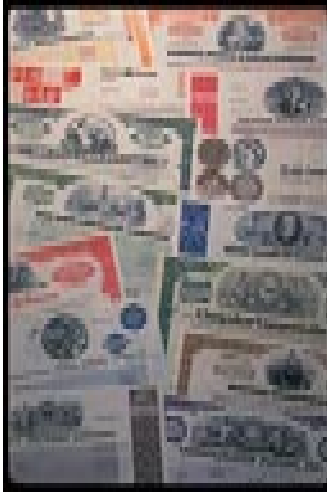
- Through the Advocacy Center, ITA leads the government-wide effort to develop and implement interagency strategies to help U.S. firms win bids for projects and commercial transactions in foreign markets. In terms of trade promotion efforts ITA will work to help firms export by enhancing our field resources, electronic links, and through new product lines. ITA will also work to enhance the quality, utility, and availability of annual trade statistics broken down by state and metropolitan area.

International Trade Administration

Strengthen and institutionalize our trade promotion and advocacy efforts (cont.)



- Statistical Infrastructure
- Broadening Trade



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Resource Requirements



\$56.9 Million



429 FTEs

Skills: Ability to interact with high-level business, USG, and foreign government officials as an official representative of the U.S. Government



IT Requirements: \$3.5 Million for IT infrastructure and related mission systems

Crosscutting Activities

- *Trade Promotion Coordinating Committee (TPCC) Agencies:* Coordinate advocacy strategies and responses
- *Offices of the President and Vice President:* Work with these executive offices to coordinate advocacy strategies and responses

External Factors

- The overall strength of the global economy (i.e., the Asia financial crisis) influences the Advocacy Center's fiscal year numbers. To counter the effects of global macroeconomic trends that may lower U.S. exports, the Advocacy Center will increase efforts to promote U.S. companies' bids in regions with higher export potential.